



"Investing in Africa's Future"

**COLLEGE OF BUSINESS, PEACE, LEADERSHIP &
GOVERNANCE**

COURSE CODE AND TITLE: MEC 301-Comparative Economic Systems

END OF FIRST SEMESTER EXAMINATION

NOVEMBER 2017

LECTURER: Mr L. NGENDAKUMANA

DURATION: 3 HOURS

INSTRUCTIONS

Answer **any four (4)** questions

Total possible mark is 100

Start **each** question on a new page in your answer booklet.

The marks allocated to **each** question are shown at the end of the section.

Show **all your** workings.

Credit will be awarded for logical, systematic and neat presentations.

Question 1

Explain the following concepts used in Comparative Economic Systems:

- a) Economic system [5 marks]
- b) Economic outcome [5 marks]
- c) Incentives [5 marks]
- d) Environmental policies [5 marks]
- e) Viability [5 marks]

Question 2

- a. Explain the concept of market socialism and outline the defining characteristics of such an economic system. [15 marks]
- b. State and explain the strengths and weaknesses of planned socialism [10 marks]

Question 3

- a. Efficiency- refers to the effectiveness with which an economic system utilizes its available resources. Use the production possibility frontier to explain what is meant by efficiency. [10 marks]
- b. Technically, income distribution which shows how well an economic system distributes income among households is measured by the Lorenz curve or Gini coefficient. Use these two measurements to explain the concept of "an equitable and unequal distribution of income". [15 marks]

Question 4

- a. State and explain the characteristics of a capitalist economic system [10 marks]
- b. In capitalist economies government must not intervene in the market. Critically evaluate this statement. [15 marks]

Question 5

- a. State and explain any 5 performance criteria of an economic outcome [15 marks]
- b. State and explain the factors that influence economic outcomes [10 marks]

Question 6

- a. Define the characteristics of the Asian and Latin American model [5 marks]

b. What are the strengths and weaknesses of these models?

[10 marks]

c. Compare these models to capitalism and socialism

[10 marks]

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